

- Unemployment rate rises to 6.2% as job growth stalls
- Youth unemployment rate falls to 10.7%
- Room revenues edge down in April

Labour Force

- **British Columbia's unemployment rate jumped to 6.2% (seasonally adjusted) in July.** The increase came after two months in which the rate was at a near 25-year low (5.7% in May and 5.8% in June). BC's unemployment rate remains low by historical standards. It has been below the national average in all but two months since July 2004—the first time since the mid-1990s that this has occurred.

Employment was virtually unchanged from the previous month. At the same time, the labour force expanded (+0.4%), pushing the unemployment rate up as many of the new entrants were unable to find work.

Victoria's unemployment rate was just 3.9%, about two-thirds the provincial average. The jobless rates in Abbotsford (5.1%) and Vancouver (6.4%) were slightly higher.

The Canadian unemployment rate inched up 0.1 percentage point to 6.8% in July. As was the case in BC, employment growth stalled (0.0%) while the number of people who were either working or looking for work increased (+0.1%). Alberta continued to experience the lowest unemployment rate (3.6%) in the country. Manitoba (4.7%) and Saskatchewan (4.7%) also posted unemployment rates that were considerably lower than the national average. BC was the only other province where the jobless rate was significantly lower than the Canadian average.

Data Source: Statistics Canada

- **There were fewer jobs (-0.3%, seasonally adjusted) in the service sector, which employs eight out of every ten workers in BC.** Although job losses were widespread across most service industries, some service sector employers were taking on more workers. Employment in transportation & warehousing (+7.8%) and accommodation & food services (+3.4%) in-

creased significantly, with smaller gains seen in the education (+1.8%) and health care (+1.8%) industries. However, the number of people working in retail & wholesale trade edged down 0.2%. Other service industries cut back their workforce, with the biggest decline occurring in professional, scientific & technical services, where employment fell (-4.6%) for the first time this year.

The goods sector bounced back after two months of decline, with employment increasing 0.9% in July. Manufacturing activity began to ramp up (+4.4%), ending a five-month-long period of job losses. There were more people working in agriculture (+6.1%), but the number of construction jobs was unchanged from June.

Data Source: Statistics Canada

- **Self-employment remained a significant source of new jobs in the province, with the number rising 4.7%, enough to offset a drop in the number of public (-1.1%) and private (-1.2%) sector employees.** Full-time employment increased 1.4% in July, but there were fewer people with part-time work (-5.4%).

Data Source: Statistics Canada

- **The job market for students and young workers in BC was the best it has been in years.** The youth (15-24) unemployment rate continued to fall in July, dropping to 10.7% (seasonally adjusted), nearly three points lower than in the same month of 2004. Since May, the youth unemployment rate has remained at levels not seen since 1990 (when it dropped briefly in August)—and not consistently seen since the early 1980s.

Data Source: Statistics Canada

- **For the third month in a row, unemployment rates were below ten percent (3-month-moving average) in every region of the province.** Residents of Kootenay (4.0%) and North-east (4.9%) experienced jobless rates that were

Did you know...

Forty percent of Canadians would like to "travel to the moon and stay there for a week or so". Men (51%) are more excited about the prospect than women (29%).

substantially lower than the provincial average. Thompson/Okanagan (5.2%) and Vancouver Island/Coast (5.3%) also recorded below-average unemployment rates. Jobless rates were higher in Mainland/Southwest (6.1%), North Coast/Nechako (6.5%) and Cariboo (7.5%).

Data Source: Statistics Canada

Tourism

- **Provincial room revenues edged down for the second straight month in April (-0.5%, seasonally adjusted), due mainly to weakness in Vancouver Island/Coast (-2.2%) and Northeast (-16.3%).** Mainland/Southwest (+0.4%), Kootenay (+3.1%), and Cariboo (+11.9%) were the only regions that saw room revenue increase. Among accommodation types, only hotels with 151-250 rooms (+3.6%) and motels (+1.5%) posted gains in April. The biggest decline was recorded in the vacation rental category (-15.6%).

Data Source: BC Stats

English as a Second Language

- **Each year thousands of people across British Columbia enrol in English as a Second Language (ESL) courses and programs in public post-secondary institutions.** According to the 2003 ESL Student Outcomes Survey, more than 90% of respondents who took one or more ESL programs between July 1, 2000, and June 30, 2002 reported that their ESL courses helped them reach their most important goal.

Of all the 4,022 respondents, nearly 45% (or 1,793) reported taking further education after their ESL studies, with most of them going on to post-secondary institutions. At the time of the survey, 58% of the former ESL students were working, either as a paid worker or self-employed. The median income of employed respondents was \$20,000, \$2,095 less than the median income (\$22,095, including everyone 15 years and older) for British Columbians in 2000.

*Data Source: ESL Student Outcomes Survey 2003
Ministry of Advanced Education*

Work Safe

- **A total of 154,443 new work-related injuries were reported to the Workers' Compensation Board in 2003, a 3.1% decrease from the 159,372 claims reported in 2002.** There were

219 work-related fatalities in 2003, 13 fewer than in 2002.

Although the number of work-related injuries reported in 2003 was significantly lower than in 1994, when 197,911 people were injured on the job, there were 20 more fatalities in 2003. This was largely due to a higher death toll in the construction (+22) and service (+19) industries.

*Data Source: Statistics 2003, WorkSafeBC
Workers' Compensation Board*

Gambling

- **BC's net revenue from government-run lotteries, video lottery terminals and casinos almost tripled between 1992 and 2003, rising from \$403 million to \$1,145 million.** British Columbians spent an average of \$349 gambling in 2003, less than in any other province except PEI (\$322) and New Brunswick (\$345). Seventy-one percent of BC households participated in at least one type of gambling in 2003, and 64% were lottery players. Nationally, net revenue from gambling reached \$12.4 billion in 2004, up 359.3% from the 1992 level (\$2.7 billion). Meanwhile, employment in the gambling industry rose from 11,000 in 1992 to 54,000 in 2004. The national average gambling expenditure per person 18 years and older in 2003 was \$477.

Data Source: SC Catalogue No. 75-001-XIE, vol. 6, no. 7

Liquor Sales

- **Imported beers are gaining a strong toehold in the BC beer market.** During the twelve-month period ending in June, the Liquor Distribution Branch sold 31 million litres of imported beer, accounting for nearly 12% of total sales by volume. Five years earlier, imported brews had just 7% of the market. By volume, sales of imported beers have increased nearly 75% since 2001, while sales of domestic beers have fallen about 2%. Beer is by far the most popular product sold at liquor stores. More than 236 million litres of beer were sold in the twelve month period ending in June. This compares to 22 million litres of spirits, and 46 million litres of wine.

Data Source: Liquor Distribution Branch

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Contact: Lillian Hallin (250) 387-0366

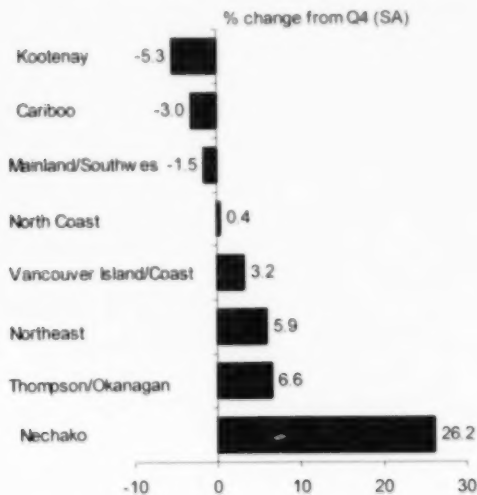
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First quarter review of BC's tourism sector

Room revenues inched up in the first quarter of 2005

Room revenues edged up (+0.8%, seasonally adjusted) in the first quarter of 2005, posting a seventh consecutive quarterly gain. Revenues were up in five out of eight regions, with significant growth in Nechako (+26.2%), Thompson/Okanagan (+6.6%), Northeast (+5.9%) and Vancouver/Island (+3.2%). Lower room revenues were recorded in Kootenay (-5.3%), Cariboo (-3.0%) and Mainland/ Southwest (-1.5%).

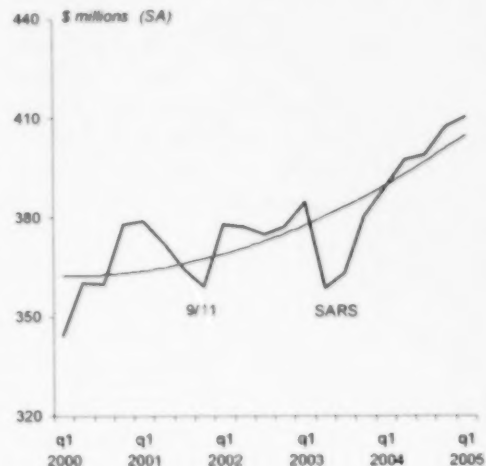
Nechako led first quarter growth



Data Source: BC Stats

However, the gain in revenues in Vancouver/Island (+3.2%), Thompson/Okanagan (+6.6%), and the two sparsely populated northern areas, Nechako (+26.2%) and Northeast (5.9%), was enough to offset losses in other regions. Nechako experienced strong growth in revenues in the first quarter of 2005 due to filming activities in the Smithers area while, in the Northeast, revenues for temporary accommodations for workers were robust.

Room revenues back on upward track



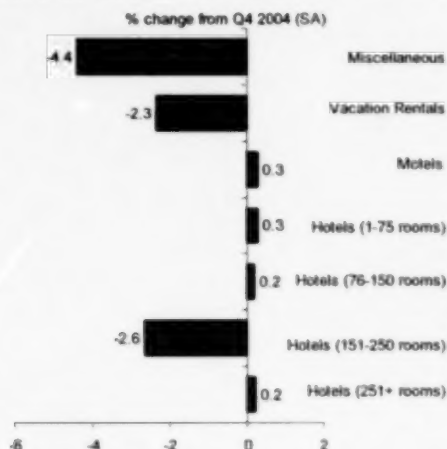
Data Source: BC Stats

Over the long run, BC's accommodation industry has displayed an ability to withstand shocks. The recovery that started in the last quarter of 2003 continued this year. In the first quarter of 2005 revenues surpassed pre-9/11 levels, reaching \$410 million.

Revenues inched up at hotels of all sizes with the exception of large hotels (151-250 rooms, -2.6%) posting sizable declines. Very large hotels (251+ rooms, +0.2%), mid-sized hotels (76-150, rooms, +0.2%), small hotels (1-75 rooms, +0.3%) and motels (+0.3%) saw slight increases in revenues.

Business was slower at vacation rentals (-2.3%) and other types of accommodations (including bed and breakfast, fishing lodges and other kinds of short-term accommodation (-4.4%).

Mid-size accommodation busier in the first quarter of 2005



Data Source: BC Stats

Visitor entries declined

The volume of travellers entering Canada via BC decreased (-2.8%) in the first quarter, as entries from the US (-4.2%) offset growth in the overseas visitors market (+3.5%). US same-day (-5.3%) and overnight (-3.5%) traffic slumped in the first quarter of this year.

US entries continued to slip



Data Source: Statistics Canada

Overseas visitor entries increased (+3.5%), due to an upturn in visitors from Europe (+6.9%), Asia (+5.5%) and Oceania (Australia and South Pacific, +1.1%). Among the overseas markets, the German (+19.0%) and UK (+7.0%) markets recorded the highest growth in the first quarter.

The number of Canadians re-entering the country via BC rose substantially (+2.5%) in the first quarter as more Canadians travelled overseas (+2.1%) or made same-day excursions to the US (+0.8%).

Most tourism indicators robust


Hotel occupancy rates averaged 62.6% (seasonally adjusted) in the first quarter, decreasing 0.2 percentage points. Average room rates (\$112) were 3.5% lower than the previous quarter.

Air passenger traffic registered a strong quarter, with both Vancouver (+2.7%) and Victoria (5.2%) airports experiencing higher volumes on all types of flights. BC ferries were not as busy, carrying fewer passengers (-3.6%) and vehicles (-2.8%) while traffic on the Coquihalla Highway was up slightly (+0.6%) relative to the fourth quarter of last year.

Employment in the key tourism-related industries edged up (+0.6%) in the first quarter of 2005. The accommodation (+1.9%) and arts, entertainment & recreation (+0.8%) industries increased employment moderately, while the air transport sector (-0.9%) registered modest job losses.

Restaurant, caterer and tavern receipts posted significant gains in the first quarter (+4.3%), as an increase in revenues at food service establishments (+5.6%) offset decline in receipts at drinking places (-7.3%).

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<i>BC at a glance . . .</i>		
POPULATION (thousands)		% change on one year ago
	Apr 1/05	
BC	4,232.5	1.2
Canada	32,146.5	0.9
GDP and INCOME		% change on one year ago
(BC - at market prices)	2004	
Gross Domestic Product (GDP) (\$ millions)	156,481	7.5
GDP (\$ 1997 millions)	138,783	3.9
GDP (\$ 1997 per Capita)	33,072	2.8
Personal Disposable Income (\$ 1997 per Capita)	20,002	1.2
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May	3,603	2.5
Merchandise Exports - May	2,630	-0.8
Retail Sales - May	4,123	-0.3
CONSUMER PRICE INDEX		12-month avg % change
(all items - 1992=100)	Jun '05	
BC	125.4	2.1
Canada	127.2	2.1
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Jul '05	
Labour Force - BC	2,266	0.4
Employed - BC	2,125	0.0
Unemployed - BC	140	7.6
	Jun '05	
Unemployment Rate - BC (percent)	6.2	5.8
Unemployment Rate - Canada (percent)	6.8	6.7
INTEREST RATES (percent)		Aug 4/04
	Aug 3/05	
Prime Business Rate	4.25	3.75
Conventional Mortgages - 1 year	4.90	4.60
- 5 year	5.80	6.55
US/CANADA EXCHANGE RATE		Aug 4/04
	Aug 3/05	
(avg. noon spot rate) Cdn \$	1.2129	1.3155
US \$ (reciprocal of the closing rate)	0.8224	0.7606
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Jul '05	
BC	698.02	2.5
Canada	701.94	3.8
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bankofcanada.ca		

Labour market characteristics of off-reserve Aboriginal population



It is now possible to examine the labour market characteristics of off-reserve Aboriginals. The data, from an expanded sample of Aboriginal peoples in the labour force survey, highlight some defining characteristics that contribute to their experience. In the past, this type of data has been available from the census but was limited to a snapshot taken in mid-May at five year intervals. A full year of sampled monthly data, fully integrated to the labour force survey, will be of great interest to researchers, policy makers and other users.

On-line at
www.bcstats.gov.bc.ca/data/lfs/abor/ap_index.htm

Released this week by BC STATS

- Tourism Sector Monitor, July 2005
- Labour Force Statistics, July 2005
- Earnings & Employment Trends, July 2005

Next week

- No subscription releases

